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Chair
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THE SENATE OF MARYLAND
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TESTIMONY OF SENATOR DELORES G. KELLEY
REGARDING SENATE BILL 252-COMMISSIONER OF FINANCIAL
REGULATION-ENHANCED CONSUMER PROTECTIONS AND
ENFORCEMENT TOOLS
BEFORE THE SENATE FINANCE COMMITTEE
ON FEBRUARY 2, 2022

Colleagues:

In 2017, the Maryland Financial Consumer Protection Commission issued its interim report and recommended that the Office of the Commissioner of Financial Regulation (“OCFR”) be given enhanced authority to investigate and bring enforcement actions for unfair, deceptive, and/or abusive acts or practices in consumer transactions involving non-depository entities and persons. Those restrictions were to be similar to the prohibitions contained in Title 5, Subtitle 8, of the Financial Institutions Article that currently apply to banking institutions. I am pleased to sponsor this legislation to do just that. This bill will help the OCFR better carry out its mission of protecting

Marylanders through the operation of a modern financial regulatory system that promotes respect for consumers, fair competition, and responsible business innovation.

SB 252 promotes these goals by adding a provision to Maryland law that prohibits regulated entities from advertising, making representations, or engaging in acts that are false, misleading, unfair, deceptive, or injurious to the public interest - prohibitions which state banks are already subject to under current law. Extending these provisions to all regulated entities increases consumer protections, levels the competitive environment, and promotes responsible business innovation and fair competition.

SB 252 also prohibits other anti-competitive practices, for example, it prohibits lenders from imposing, as a condition for a loan, any restriction on obtaining credit, property, or service from a competitor - unless that restriction is reasonably necessary to secure the loan. Senate Bill 252 also includes some technical changes to harmonize existing confidentiality and enforcement provisions of Maryland law - all which help the Office of the Commissioner continue integrating with networked supervisory exam systems, such as the

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Nationwide Multistate Licensing System (NMLS) & the State Examination System (SES) and ultimately harmonize their enforcement authority across regulated industries.

Overall, Senate Bill 252 focuses on protecting consumers by extending existing limits against unfair, deceptive and anti-competitive actions to all regulated entities and simultaneously enhancing the OCFR's ability to effectively participate in multi-state, networked supervisory activities.

With that, I request a favorable Committee Report.